



No. 16

June 6, 2012

S. 3240 – Agriculture Reform, Food and Jobs Act

Noteworthy

- **Floor Situation:** On Thursday, June 7, 2012 at 10:30 a.m., the Senate is scheduled to vote on cloture on the motion to proceed to the Agriculture Reform, Food and Jobs Act of 2012 (S. 3240), also known as the Farm Bill. Senator Reid filed cloture on the motion to proceed to the Farm Bill on Tuesday, June 5, 2012, setting up the cloture vote on the motion to proceed to the bill on Thursday, June 7, 2012.
- **Background:** S. 3240 was introduced by Senator Stabenow and Senator Roberts on May 24, 2012. The bill was adopted by the Senate Committee on Agriculture, Nutrition and Forestry by a vote of 16 to 5 on April 26, 2012.
- **Executive Summary:** The bill would amend and extend major programs administered by the U.S. Department of Agriculture (USDA) for five years, from 2013 through 2017. It includes 12 titles addressing farm income support, food and nutrition, land conservation, trade promotion, rural development, credit, research, forestry, energy, horticulture, and crop insurance.

Overview

Major USDA programs currently operate under authorization provided by the 2008 farm bill, which contained 15 titles covering farm commodity support, horticulture, livestock, conservation, nutrition assistance, international food aid, trade, agricultural research, farm credit, rural development, bioenergy, and forestry. The 2008 farm bill expires on September 30, 2012, or with the 2012 crop year.

Without a new farm bill, more than 100 discretionary programs receiving \$2.3 billion in fiscal year 2012 will be left without statutory authority to receive appropriations. Programs relying on mandatory spending, including those focused on commodities, crop insurance, nutrition assistance, conservation and trade, will also be at risk. A series of mothballed provisions from the 1930s and 1940s known as “permanent law” would be reinstated – a system “radically different from current policy – and inconsistent with today’s farming practices, marketing system, and international trade agreements – as well as potentially costly to the federal government,” according to the Congressional Research Service.

House Action

The House Committee on Agriculture continues to develop its version of the Farm Bill. At this time, it has not released a proposed draft. It held a series of hearings in March, April, and May, and reportedly plans to markup its version of the Farm Bill by the July 4th recess.

Bill Provisions

TITLE I—COMMODITY PROGRAMS

This title eliminates Direct Payments, Counter-Cyclical Payments (CCPs), and the Average Crop Revenue Election (ACRE) Program at the end of the 2012 crop year. It does not renew the Supplemental Revenue Assistance Payments (SURE) Program, which expired in September 2011.

This title authorizes Agriculture Risk Coverage (ARC) payments for the 2013 through 2017 crop years. It provides producers with the opportunity to make a one-time election that is binding on the producer (as opposed to the acres) to receive either individual or county coverage for all covered commodities and all acres under the control of the producer. It provides producers with payments when actual crop revenue is less than the ARC guarantee. It provides formulas for establishing actual crop revenue and the ARC guarantee, payment rates, and payment amounts. It requires producers to comply with applicable conservation, wetland protection, noxious weed control, other land use, and reporting requirements as a condition of receiving ARC payments.

This title continues current law authorizing non-recourse Marketing Assistance Loans for loan commodities (including wheat, corn, grain sorghum, barley, oats, cotton, rice, peanuts, and soybeans) to be made available to producers for each of the 2013 through 2017 crops. It continues the previous loan rates for a Marketing Assistance Loan for each of the 2013 through 2017 crop years. It also adjusts the loan rate for upland cotton in order to bring the program into compliance with World Trade Organization (WTO) requirements. This provision is in response to a WTO lawsuit by Brazil. It requires the Secretary of Agriculture to permit producers to repay a Marketing Assistance Loan at the lowest rate specified for that commodity. It requires producers to comply with applicable conservation, wetland protection, noxious weed control,

other land use, and reporting requirements as a condition of receiving Marketing Assistance Loans. It limits the term of any Marketing Assistance Loan to nine months.

This title continues current law authorizing Loan Deficiency Payments to be made available to producers who agree to forego Marketing Assistance Loans for a commodity, effective for the 2013 through 2017 crop years. It establishes a formula for how Loan Deficiency Payments shall be computed.

This title continues current law authorizing payments in lieu of Loan Deficiency Payments to producers of wheat, barley, oats, or triticale who elect to use acreage planted with those commodities for the grazing of livestock, and who agree to forego any other harvesting of those commodities on that acreage, effective for the 2013 through 2017 crop years. It establishes a formula for how payments in lieu of Loan Deficiency Payments shall be computed.

This title continues current law providing Special Marketing Loan Provisions for upland cotton. It requires the President to carry out an import quota program for upland cotton beginning on August 1, 2013 and ending on July 31, 2018. It requires that a special import quota be in effect immediately whenever, for any four week period, the Friday through Thursday average price for the lowest-priced U.S. growth delivered to a definable and significant international market exceeds the prevailing world market price. It requires that, subject to certain conditions, a limited global import quota take effect immediately whenever the average price of the base quality of upland cotton in the designated spot markets for a month exceeds 130 percent of the average price for the preceding 36 months. It makes Economic Adjustment Assistance available to domestic users of upland cotton for certain purposes.

This title continues current law providing Special Competitive Provisions for extra-long staple cotton, effective from the date of enactment of the Act through July 31, 2018. It requires the Secretary of Agriculture to carry out a program to maintain and expand domestic use, to increase exports, and to ensure the global market competitiveness of extra-long staple cotton produced in the U.S. It requires the Secretary to make payments, according to a specified formula, available to eligible domestic users and exporters of extra-long staple cotton produced in the U.S. under certain circumstances.

This title continues current law making available Recourse Loans to producers of high moisture feed grains and seed cotton for each of the 2013 through 2017 crops of corn, grain sorghum, upland cotton, and extra-long staple cotton.

This title continues current law through 2017 governing the Sugar Program, including making loans available to sugarcane and sugar beet processors at current loan rates.

This title establishes Dairy Production Margin Protection (DPMP) and Dairy Market Stabilization (DMSP) Programs, effective through December 31, 2017. Participation in the new programs is voluntary, but producers must choose to join both programs simultaneously or neither.

- The DPMP Program makes available basic production margin protection program payments when actual dairy production margins are less than the threshold levels for such

payments, and allows participating operations to purchase supplemental production margin protection. It requires the Secretary of Agriculture to make payments to participating dairy operations in specified circumstances and according to specified formulas.

- The DMSP Program applies to participating dairy operations to help balance the supply of milk with demand when participating producers are experiencing low or negative operating margins. When markets are oversupplied and margins fall below a certain level, a portion of a dairy operations' milk check is reduced to encourage the operation to scale back production.

This title repeals the Dairy Product Price Support and Dairy Export Incentive Programs, and the Milk Income Loss Contract Program after extending it to June 30, 2013 at the current 45 percent level as a transition to the new programs.

This title extends the Dairy Forward Pricing, Dairy Indemnity, and Dairy Promotion and Research Programs through 2017, as well as the Federal Milk Marketing Order Review Commission.

This title extends through 2017 Livestock Indemnity Payments (LIP); the Livestock Forage Disaster Program (LFP); Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish (ELAP); and the Tree Assistance Program (TAP) for losses due to natural disaster.

This title limits the total amount of payments received, directly or indirectly, for any crop year under subtitle A of the Act to \$50,000 for producers of peanuts or other covered commodities. It limits the availability of payments to active farmers. It prohibits payments to persons or legal entities whose total average adjusted gross income exceeds \$750,000.

This title continues current law through 2017 regarding administration generally; suspension of permanent price support authority; geographically disadvantaged farmers and ranchers; personal liability for producers for deficiencies; prevention of deceased individuals receiving payments; appeals; technical corrections; assignments of payments; tracking of benefits; and signature authority.

This title requires the Secretary of Agriculture to make available to the Farm Service Agency \$100,000,000 to carry out this title.

TITLE II—CONSERVATION

This title extends through 2017 the Conservation Reserve Program (CRP). It steps-down the maximum amount of acreage eligible for enrollment from 32 million to 25 million from fiscal year 2012 to fiscal year 2017. It provides for the enrollment of no more than 1.5 million acres of grasslands at any one time during fiscal year 2013 through fiscal year 2017. It extends through 2017 the Farmable Wetland Program, changing it from a pilot to a standing program.

This title authorizes through 2017 the Conservation Stewardship Program (CSP), primarily an extension of current law. It establishes an enrollment limitation of 10,348,000 acres each year

through 2021, and removes the 10 percent enrollment cap on nonindustrial private forestland. It maintains the program cost of implementation at an average of \$18 per acre.

This title extends through 2017 the Environmental Quality Incentives Program (EQIP). It continues allocating at least 60 percent of funds to livestock production practices, and establishes allocating at least five percent of funds to practices benefitting wildlife habitat, for each of fiscal year 2013 through fiscal year 2017. It combines the Wildlife Habitat Incentives Program into EQIP.

This title establishes the Agricultural Conservation Easement Program (ACEP). It combines the easement authorities of the Wetlands Reserve Program (WRP), Grasslands Reserve Program (GRP), and Farmland Protection Program (FPP) into one agricultural conservation easement program. It provides for Agricultural Land Easements and Wetland Easements.

This title establishes the Regional Conservation Partnership Program (RCPP). It combines the authorities of the agricultural water enhancement program (AWEP), Chesapeake Bay watershed program, cooperative conservation partnership initiative (CCPI), and Great Lakes basin program into one program. It authorizes the RCPP from 2013 through 2017; makes available \$100,000,000 in each of fiscal year 2013 through fiscal year 2017 in mandatory funding; directs the Secretary of Agriculture to reserve six percent of the funds and acres made available for covered programs (EQUIP, CSP, and ACEP) for each of fiscal year 2013 through fiscal year 2017 in order to ensure additional resources are available to carry out the RCPP; allocates funding as 50 percent to national competition, 25 percent to state level competition, and 25 percent to critical conservation areas.

This title adds ACEP to the programs that can be used under the agriculture conservation experienced services program, and in addition authorizes:

- \$30,000,000 in appropriations for each of fiscal year 2013 through fiscal year 2017 for conservation of private grazing land;
- \$15,000,000 in appropriations for each of fiscal year 2013 through fiscal year 2017 for the grassroots source water protection program;
- \$40,000,000 in mandatory funding for the period of fiscal year 2013 through fiscal year 2017 for the voluntary public access and habitat incentive program;
- \$150,000,000 in mandatory funding and \$25 million in authorization of appropriations for the terminal lakes assistance program.

This title authorizes Commodity Credit Corporation funding for programs under this title for each of fiscal year 2013 through fiscal year 2017:

- Conservation Reserve Program (CRP)
 - \$50,000,000 to facilitate the transfer of land subject to contracts from retired or retiring owners and operators to beginning farmers and socially disadvantaged farmers or ranchers;
 - \$10,000,000 for tree thinning activities;
- Agriculture Conservation Easement Program (ACEP)
 - fiscal year 2013 – \$450,000,000;
 - fiscal year 2014 – \$475,000,000;

- fiscal year 2015 – \$500,000,000;
 - fiscal year 2016 – \$525,000,000;
 - fiscal year 2017 – \$250,000,000;
- Conservation Security Program
- Conservation Stewardship Program (CSP)
- Environmental Quality Incentives Program (EQIP)
 - fiscal year 2013 – \$1,500,000,000;
 - fiscal year 2014 – \$1,600,000,000; and
 - Each of fiscal year 2015 through fiscal year 2017 – \$1,650,000,000.

This title repeals the Comprehensive Conservation Enhancement, Emergency Forestry Conservation Reserve, Wetlands Reserve, Farmland Protection and Farm Viability, Grassland Reserve, Agricultural Water Enhancement, Wildlife Habitat Incentive, Great Lakes Basin, Chesapeake Bay Watershed, Cooperative Conservation Partnership Initiative, and Environmental Easement Programs.

TITLE III—TRADE

This title reauthorizes through 2017:

- Food for Peace Act programs;
- Export Credit Guarantee Program, allowing for up to \$4.5 billion in credit guarantees;
- Market Access Program;
- Foreign Market Development Cooperator Program;
- Food for Progress Act program;
- Bill Emerson Humanitarian Trust;
- Promotion of agricultural exports to emerging markets program;
- McGovern-Dole International Food for Education and Child Nutrition Program;
- Technical Assistance for Specialty Crops Program, providing \$9 million in funding for each of fiscal year 2011 through fiscal year 2017;
- Global Crop Diversity Trust;
- Local and regional procurement projects, authorizing \$40 million in appropriations for each of fiscal year 2013 through fiscal year 2017.

This title establishes the Donald Payne Horn of Africa Food Resilience Program, a pilot program to integrate all U.S.-funded emergency and long-term development activities focused on improving food security in the Horn of Africa. It authorizes \$10 million for each of fiscal year 2013 through fiscal year 2017 in appropriations for this program.

This title establishes that the Secretary of Agriculture shall develop a study that takes into consideration a reorganization of international trade functions for imports and exports at USDA.

TITLE IV—NUTRITION

This title reauthorizes through 2017 the Food Distribution Program on Indian Reservations.

This title amends the Supplemental Nutrition Assistance Program (SNAP), including:

- Prohibiting states from increasing monthly SNAP benefits by annually issuing extremely low Low-Income Home Energy Assistance Program (LIHEAP) benefits to qualify otherwise ineligible households for Standard Utility Allowances. The Standard Utility Allowance is used by many states to estimate average utility costs in order to make SNAP benefits determinations;
- Limiting college student eligibility to students participating in technical and vocational education programs (primarily two-year colleges), remedial course work, basic adult literacy, and English as a second language;
- Making households ineligible if one of the household members receives substantial lottery or gambling winnings;
- Requiring participating retailers to stock at least three of four staple food categories, to attribute less than 45 percent of total sales to liquor and tobacco, and to pay 100 percent of the cost of electronic benefit transfer point-of-sale equipment, supplies, and related services;
- Requiring households that make excessive requests for replacement of electronic benefit transfer cards to provide an explanation for the loss of the card to the applicable State agency, or be denied a replacement card;
- Authorizing demonstration projects for authorized retailers to accept SNAP benefits through mobile electronic devices and on-line transactions, requiring retailers to ensure the price of food is not higher when using mobile technologies, and requiring retailers to pay costs associated with implementing such technologies;
- Allowing “physical activity” as an eligible use of SNAP Nutrition Education funding.

This title reauthorizes appropriations for SNAP.

This title provides grants to eligible nonprofit organizations to improve community access to food. It provides not less than \$5 million in funding for fiscal year 2013 and each fiscal year thereafter.

This title requires funding for the Emergency Food Assistance Program to be available for two years. It provides for \$260 million in funding for fiscal year 2012. It increases funding by \$28 million in fiscal year 2013, \$24 million in fiscal year 2014, \$20 million in fiscal year 2015, \$18 million in fiscal year 2016, \$10 million in fiscal year 2017 and each fiscal year thereafter.

This title provides \$18.5 million for fiscal year 2013 and each fiscal year thereafter in additional funding to prevent SNAP food benefit trafficking.

This title reauthorizes through 2017 the Commodity Distribution Program. It focuses the Commodity Supplemental Food Program to serve low-income senior citizens, and phases-out eligibility for women, infants, and children.

This title reauthorizes through 2017 the Defense Department’s Fresh Program, which distributes fresh fruits and vegetables to schools and service institutions, and the Senior Farmers’ Market Nutrition Program, which provides low-income seniors with coupons that can be exchanged for eligible foods at farmers’ markets, roadside stands, and community supported agriculture programs.

This title repeals the Nutrition Information and Awareness Pilot Program.

This title provides funding for the Whole Grain Products Program, which encourages sampling of a variety of whole grains and whole-grain foods for use in school meal programs, at \$10 million for the period of fiscal year 2014 through fiscal year 2015.

This title establishes Hunger-Free Communities Incentive Grants to encourage purchases of fruits and vegetables by SNAP participants in underserved communities. It limits the Federal cost-share of grants to 50 percent of the total cost of the activity. It authorizes \$5 million in appropriations for each of fiscal year 2013 through fiscal year 2017. It provides mandatory funding of \$15 million for fiscal year 2013, \$20 million for each of fiscal year 2014 through fiscal year 2016, and \$25 million for fiscal year 2017.

This title provides an authorization of funding for community development financial institutions to provide loans and grants to eligible fresh, healthful food retailers to overcome the higher costs and initial barriers to entry in underserved areas. It authorizes \$125 million in appropriations to remain available until expended.

TITLE V—CREDIT

This title expands authority of the Secretary of Agriculture to make or guarantee farm ownership and operating loans to eligible farmers to include modern legal entities created for estate succession planning.

This title reauthorizes through 2017 the Conservation Loan and Loan Guarantee Program and the Down Payment Loan Program, the maximum loan value of which is increased to 45 percent of \$677,000.

This title continues current law for operating loans, emergency loans, and general farmer loan provisions including current authorization levels. It reauthorizes through 2017 the Beginning Farmer Individual Development Accounts Pilot Program, direct ownership and operating loan levels, and state agricultural mediation programs.

TITLE VI—RURAL DEVELOPMENT

This title reauthorizes rural community programs, rural business and cooperative development programs, and general rural development provisions, including:

- Water and waste disposal loans, loan guarantees, and grants;
- Community facilities loans, loan guarantees, and grants;
- Health care services;
- Business loans, loan guarantees, grants and other programs;
- Rural Business Investment Program;
- General provisions for loans and grants;
- Guaranteed Rural Development Loans;
- Rural Development Insurance Fund;

- Delta Regional Authority; and
- Northern Great Plains Regional Authority.

This title establishes Rural Business Development Grants, combining the Rural Business Opportunity Grants and Rural Business Enterprise Grants authorities into one program. It authorizes \$65 million in appropriations for each of fiscal year 2013 through fiscal year 2017.

This title establishes a competitive process for the designation of new Rural Economic Area Partnership zones.

This title directs the Secretary of Agriculture to expedite the process of creating user-friendly and accessible application forms and procedures prioritizing programs and applications at the individual level with an emphasis on utilizing current technologies such as online applications.

This title reauthorizes through 2017 Guarantees for Bonds and Notes Issued for Electrification or Telephone Purposes and Expansion of 911 Access.

This title establishes a grant component to the current broadband loan program focused on providing access to broadband telecommunications services in rural areas. Grant funds are limited to 50 percent of the total development cost of each project.

This title reauthorizes through 2017 Distance Learning and Telemedicine.

This title authorizes a new program called the Rural Energy Savings Program which provides loans to qualified consumers to implement energy efficiency measures.

This title simplifies the definition of “rural.”

TITLE VII—RESEARCH

This title streamlines USDA research, education, and extension programs through consolidating and eliminating more than 60 unused and unfunded authorities.

This title reauthorizes through 2017 National Agricultural Research, Extension, and Teaching Policy Act of 1977 programs, including:

- National Agricultural Research, Extension, Education, and Economics Advisory Board;
- Grants and Fellowships for Food and Agriculture Sciences Education (\$40 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Education Grants to Alaska Native Serving Institutions and Native Hawaiian Serving Institutions;
- Nutrition Education Program;
- Continuing Animal Health and Disease Research Programs (\$25 million in authorized appropriations for each of fiscal year 1991 through fiscal year 2017);
- Grants to Upgrade Agricultural and Food Sciences Facilities at 1890 Land-Grant Colleges, including Tuskegee University;

- Grants to Upgrade Agricultural and Food Sciences Facilities and Equipment at Insular Area Land-Grant Institutions;
- Hispanic-Serving Institutions;
- Competitive Grants for International Agricultural Science and Educations Programs (\$5 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- University Research;
- Extension Service;
- Supplemental and Alternative Crops (\$1 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Capacity Building Grants for NLGCA Institutions;
- Aquaculture Assistance Programs (\$5 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Rangeland Research Programs (\$2 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Special Authorization for Biosecurity Planning and Response (\$20 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Distance Education and Resident Instruction Grants Program for Insular Area Institutions of Higher Education (\$2 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017 for Distance Education Grants; \$2 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017 for Resident Instruction Grants).

This title authorizes the Veterinary Services Grant Program and \$10 million in authorized appropriations for fiscal year 2013 and each fiscal year thereafter, including an additional matching competitive grant program with qualified entities to develop, implement, and sustain veterinary services.

This title authorizes Agriculture and Food Policy Research Centers and \$5 million in authorized appropriations for fiscal year 2012 and each fiscal year thereafter.

This title reauthorizes through 2017 Food, Agriculture, Conservation, and Trade Act of 1990 programs, including:

- Best Utilization of Biological Applications (\$40 million in authorized appropriations for each of fiscal year 2012 through fiscal year 2017);
- Integrated Management Systems (\$20 million in authorized appropriations for each of fiscal year 2012 through fiscal year 2017);
- Sustainable Agriculture Technology Development and Transfer Program;
- National Training Program (\$20 million in authorized appropriations for each of fiscal year 2012 through fiscal year 2017);
- National Genetics Resources Program (\$1 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- National Agricultural Weather Information System (\$1 million for each of fiscal year 2013 through fiscal year 2017);
- High-priority research and extension initiatives;

- Organic Agriculture Research and Extension Initiative (\$16 million in mandatory funding for each of fiscal year 2013 through fiscal year 2017);
- Farm Business Management Program (\$5 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Regional Centers of Excellence (\$10 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Assistive Technology Program for Farmers with Disabilities (\$5 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- National Rural Information Center Clearinghouse.

This title reauthorizes through 2017 Agriculture Research, Extension, and Education Reform Act of 1988 programs, including:

- Integrated Research, Education, and Extension Competitive Grants Program;
- Research Regarding Diseases of Wheat, Triticale, and Barley Caused by *Fusarium Graminearum* or by *Tilletia Indica* (\$10 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Grants for Youth Organizations (\$3 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Specialty Crop Research Initiative (mandatory funding of \$25 million in fiscal year 2013, \$30 million in each of fiscal year 2014 and fiscal year 2015, \$65 million in fiscal year 2016, and \$50 million in fiscal year 2017 and each fiscal year thereafter);
- Food Animal Residue Avoidance Database Program;
- Office of Pest Management Policy (\$3 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Authorizes Regional Integrated Pest Management Centers.

This title reauthorizes through 2017 other programs and laws, including:

- Critical Agricultural Materials Act (\$2 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Equity in Educational Land-Grant Status Act of 1994;
- Research Facilities Act;
- Competitive, Special, and Facilities Research Grant Act;
- Enhanced Use Lease Authority Pilot Program under Department of Agriculture Reorganization Act of 1994;
- Renewable Resources Extension Act of 1978;
- National Aquaculture Act of 1980;
- Beginning Farmer and Rancher Development Program (\$50 million in mandatory funding for fiscal year 2013);
- Grazinglands Research Laboratory;
- Natural Products Research Program (\$7 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Sun Grant Program.

This title reauthorizes through 2017 Food, Conservation, and Energy Act of 2008 programs, including:

- Agricultural Biosecurity Communication Center (\$2 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Assistance to Build Local Capacity in Agricultural Biosecurity Planning, Preparation, and Response (\$15 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Research and Development of Agricultural Countermeasures (\$15 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Agricultural Biosecurity Grant Program (\$5 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017).

This title establishes the Foundation for Food and Agriculture Research with the primary purpose of supplementing and advancing USDA basic and applied research activities through fostering innovative public-private collaborations to leverage Federal investment in agricultural research with new sources of funding from private donations. It provides \$100 million in one-time mandatory funding which must be matched by donations from other sources.

TITLE VIII—FORESTRY

This title repeals the Forest Land Enhancement, Watershed Forestry Assistance, Cooperative National Forest Products Marketing, Hispanic-Serving Institution Agricultural Land National Resources Leadership, and Tribal Watershed Forestry Assistance Programs.

This title reauthorizes through 2017 Cooperative Forestry Assistance Act of 1978 programs, including:

- State-Wide Assessment and Strategies for Forest Resources (\$10 million in authorized appropriations for each fiscal year 2013-2017);
- Forest Stewardship Program (\$50 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Forest Legacy Program (\$200 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Community Forest and Open Space Conservation Program (\$50 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Urban and Community Forestry Assistance (\$50 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);

This title reauthorizes through 2017 other forestry-related laws:

- Rural revitalization technologies;
- Office of International Forestry (\$10 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Insect infestations and related diseases (\$100 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Provides permanent reauthorization of Stewardship end result contracting projects;
- Healthy Forest Reserve Program (\$9.75 in authorized appropriations for each of fiscal year 2013 through fiscal year 2017).

TITLE IX—ENERGY

This title repeals Repowering Assistance Program and directs the transfer of remaining funds to the Rural Energy for America Program (REAP). It also repeals Forest Biomass for Energy and Renewable Fertilizer Study.

This title reauthorizes through 2017 energy-related programs, including:

- Biobased Markets Program (\$3 million in mandatory funding for each of fiscal year 2013 through fiscal year 2017; \$2 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance, with the addition of renewable chemicals and biobased products as eligible for the program (mandatory funding of \$100 million in fiscal year 2013 and \$58 million in each of fiscal year 2014 and fiscal year 2015, with no more than \$25 million directed towards biobased product manufacturing; \$150 million in authorized appropriations for each of fiscal year 2013 through 2017).
- Bioenergy program for Advanced Biofuels (\$20 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Biodiesel Fuel Education Program (\$1 million in mandatory funding for each of fiscal year 2013 through fiscal year 2017; \$1 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Rural Energy for America Program (REAP) (\$48,200,000 in mandatory funding for each of fiscal year 2013 through fiscal year 2017; \$20 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Biomass Research and Development Program (\$26 million in mandatory funding for each of fiscal year 2013 through fiscal year 2017; \$30 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017);
- Continues the Feedstock Flexibility Program for Bioenergy Producers;
- Biomass Crop Assistance Program (BCAP) (\$38,600,000 in mandatory funding for each of fiscal year 2013 through fiscal year 2017, with not less than 10 percent and not more than 50 percent to be used for Collection, Harvest, Storage and Transportation payments);
- Community Wood Energy Program (\$5 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017).

TITLE X—HORTICULTURE

This title reauthorizes through 2017 specialty crop market news allocation.

This title repeals the grant program to improve movement of specialty crops.

This title reauthorizes through 2017 Farmers Market and Local Food Promotion Program (\$20 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017). It requires the recipient of a grant to provide a match in an amount equal to 25 percent of the total cost of the project.

This title directs the Secretary of Agriculture to conduct a study on local food production and program evaluation.

This title reauthorizes through 2017 organic production and market data initiatives (\$5 million in mandatory funding.) It provides the National Organic Program with a \$5 million in mandatory funding in fiscal year 2013 and authorizes \$15 million in funding for each of fiscal year 2013 through fiscal year 2017.

This title reauthorizes through 2017 food safety and education initiatives.

This title consolidates plant pest and disease management and disaster prevention programs (\$60 million for each of fiscal year 2013 through fiscal year 2016; \$65 million for fiscal year 2017 and each fiscal year thereafter).

This title reauthorizes through 2017 specialty crop block grants (\$70 million for fiscal year 2013 and each fiscal year thereafter). It changes the grant allocation formula from solely the value of specialty crop production in a state to the average of both value of specialty crop production and acres of specialty crops planted in a state.

This title requires producers, handlers, and certifying agents to maintain and make available to the Secretary of Agriculture all contracts, agreements, receipts, and other records associated with the organic certification program established under the Organic Foods Production Act of 1990. It gives the Secretary of Agriculture authority to investigate and suspend or revoke organic certification if a producer or handler misrepresents their product as being organic. It allows for a civil penalty of not more than \$10,000 per offense for violating an order of organic certification revocation.

TITLE XI—CROP INSURANCE

This title allows producers to combine individual and county level yield or loss coverage. It also allows margin insurance products to be combined with other yield and loss insurance products.

This title establishes that premium amounts for catastrophic risk protection shall be reduced according to a specified formula.

This title provides for a higher replacement yield for crop insurance guarantees following disaster years.

This title allows the Federal Crop Insurance Corporation (FCIC) to pay a portion of the premiums for insurance policies held by insurable units defined on a whole farm or enterprise unit basis. It also allows producers to split these enterprise units based on irrigated and non-irrigated production.

This title makes available to producers of upland cotton an additional policy (to be known as the “Stacked Income Protection Plan,” or “STAX”) that will provide coverage for revenue loss of not more than 30 percent of expected county revenue, specified in increments of five percent,

and a deductible no less than 10 percent of the expected county revenue. It establishes coverage based on specified conditions and formulas. It establishes the use of a multiplier factor to establish maximum protection (referred to as the “protection factor”) of not more than 120 percent. It establishes separate coverage for irrigated and non-irrigated practices.

This title makes available to producers of peanuts a revenue crop insurance program for peanuts that is based on the Rotterdam price for peanuts.

Implementation funding for the Risk Management Agency for this title requires the Secretary of Agriculture to develop and implement the Acreage Crop Reporting Streamlining Initiative (ACRSI) to allow producers to report acreage and other information directly to USDA (\$25 million in fiscal year 2013 and \$10 million in each of fiscal year 2014 through fiscal year 2017; or if the ACRSI project is substantially completed by September 30, 2013, not more than \$15 million for each of fiscal year 2014 through fiscal year 2017).

This title requires the FCIC to develop a whole farm risk management insurance plan, with a liability limitation of \$1.5 million, that allows a diversified crop or livestock producer the option to qualify for an indemnity if actual gross farm revenue is below 85 percent of the average gross farm revenue or the expected gross farm revenue that can reasonably be expected of the producer. It establishes that producers of multiple agricultural commodities, including specialty crops, industrial crops, livestock, and aquaculture products, shall be eligible to participate in the plan. It allows the FCIC to provide diversification-based additional coverage payment rates, premium discounts, or other enhanced benefits in recognition of the risk management benefits of crop and livestock diversification strategies for producers that grow multiple crops or that may have income from the production of livestock that uses a crop grown on the farm.

This title requires the FCIC to conduct a study to determine the feasibility of insuring swine producers for a catastrophic event.

This title requires the FCIC to conduct research and development regarding a policy to insure producers against reduction in the margin between the market value of catfish and selected costs incurred by the production of catfish.

This title allows the FCIC to conduct a pilot program to provide financial assistance for producers of underserved crops and livestock (including specialty crops) to purchase an index-based weather insurance product from a private insurance company (\$10 million in mandatory funding for each of fiscal year 2013 through fiscal year 2017). It allows the FCIC to pay a portion of the premium in certain circumstances.

The title adds farm financial benchmarking to the Federal Crop Insurance Act. Farm financial benchmarking is the process of comparing the performance of an agricultural enterprise against the performance of other similar enterprises, through the use of comparable and reliable data, in order to identify business management strengths, weaknesses, and steps necessary to improve management performance and business profitability.

The title provides beginning farmers and ranchers with premium assistance that is 10 percentage points greater than premium assistance that would otherwise be available. It allows beginning farmers and ranchers previously involved in a farming operation to use the previous producer's production history or assigned yield in determining yield coverage, and to replace each excluded yields with a yield equal to 80 percent of the applicable transitional yield.

The title requires the Secretary of Agriculture to provide organic certification cost-share assistance; activities to support risk management education and community outreach partnerships; and agricultural management assistance grants to producers in states where there has been a low level of federal crop insurance participation and availability (\$23 million in mandatory funding for each of fiscal year 2013 through fiscal year 2017). It limits assistance to \$50,000 per person per year.

This title provides a sod producer during the first four years of planting on native sod acreage 65 percent of the applicable transitional yield and a crop insurance premium subsidy 50 percentage points less than the premium subsidy that would otherwise apply.

TITLE XII—MISCELLANEOUS

This title makes veteran farmers and ranchers eligible to benefit from the outreach and assistance program for socially disadvantaged producers and limited resource producers under the Food, Agriculture, Conservation, and Trade Act of 1990 (\$5 million in mandatory funding for each of fiscal year 2013 through fiscal year 2017; \$20 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017).

This title reauthorizes through 2017 the Office of Advocacy and Outreach (\$2 million per year in authorized appropriations for each of fiscal year 2013 through fiscal year 2017).

This title reauthorizes through 2017 the Trichinae Certification Program; the National Aquatic Animal Health Plan; grants to improve supply, stability, safety, and training of the agricultural labor force (\$10 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017); and regional and economic infrastructure development.

This title establishes the Wildlife Reservoir Zoonotic Disease Initiative to provide assistance through Coordinated Agricultural Project grants for research and development of surveillance methods, vaccines, vaccination delivery systems, or diagnostic tests for covered diseases affecting domestic livestock that are transmitted primarily from wildlife (\$7 million in authorized appropriations for each of fiscal year 2012 through fiscal year 2017). It requires the Secretary of Agriculture to give priority to grants that address Bovine Brucellosis, Bovine Tuberculosis, and other zoonotic diseases in livestock. It requires the recipient of a grant to provide funds in an amount that is not less than 25 percent of the amount provided by the federal government.

This title establishes the Sheep Production and Marketing Grant Program, a competitive grant program to strengthen and enhance the production and marketing of sheep and sheep products (\$1.5 million in mandatory funding for fiscal year 2013).

This title establishes a pilot project to eradicate or control the threat feral swine pose to the domestic swine population, the entire livestock industry, and the destruction of crops and natural plant communities and native habitats (\$2 million in authorized appropriations for each of fiscal year 2013 through fiscal year 2017). It limits the Federal share of the costs of the program to 75 percent of the total costs of carrying out the pilot program. It permits the non-Federal share of the costs of the pilot program to be provided in the form of in-kind contributions of materials or services.

This title establishes the Military Veterans Agricultural Liaison to assist returning veterans with accessing beginning farmer training and agricultural vocational and rehabilitation programs; using Federal veterans educational benefits for purposes relating to beginning a farming or ranching career; finding information concerning the availability and eligibility requirements for participation in agricultural programs; applying for participation in agricultural programs; and advocating on behalf of veterans in interactions with USDA employees.

Administration Position

The Obama Administration has not taken an official position at this time.

Cost

The Congressional Budget Office (CBO) estimates that enacting S. 3240 would bring total direct spending for USDA programs to \$969 billion over the 2013 through 2022 period – \$23.6 billion less than CBO projects if those programs were continued under current law.

CBO estimates that implementing those provisions that would authorize appropriations over the 2013 through 2017 period for existing and new USDA programs would cost about \$28 billion over the next five years, assuming appropriation of the necessary amounts.

CBO estimates that direct federal spending would total over the 2013 through 2022 period:

- \$43.2 billion on commodity programs (Title I) – \$19.8 billion less than expected if current law were continued;
- \$57.7 billion on land conservation programs (Title II) – \$6.4 billion less than expected if current law were continued;
- \$3.4 billion on trade programs (Title III) – no change expected if current law were continued;
- \$768.2 billion on nutrition assistance programs (Title IV) – \$3.9 billion less than expected if current law were continued;
- \$860 million on agriculture research, extension, and related programs (Title VII) – \$647 million more than expected if current law were continued;
- \$9 million on forestry programs (Title VIII) – \$9 million more than expected if current law were continued;

- \$1.5 billion on energy programs (Title IX) – \$780 million more than expected if current law were continued;
- \$1.4 billion on horticulture programs (Title X) – \$360 million more than expected if current law were continued;
- \$94.6 billion on federal crop insurance programs (Title XI) – \$5.1 billion more than expected if current law were continued;
- \$27 million on miscellaneous programs (Title XII) – \$466 million less than expected if current law were continued.

CBO estimates that federal receipts would total over the 2013 through 2022 period:

- \$2.7 billion on farm credit and rural development programs (Titles V and VI) – no change expected if current law were continued.

CBO estimates that discretionary federal spending from implementing provisions authorizing appropriations for existing and new USDA programs would, assuming appropriation of the necessary amounts, cost the federal government over the 2013 through 2017 period:

- \$24 million for discretionary commodity programs (Title I);
- \$535 million for discretionary conservation programs (Title II);
- \$10.6 billion for discretionary trade programs (Title III);
- \$1 billion for nutrition programs (Title IV);
- \$463 million for farm credit programs (Title V);
- \$3.5 billion for rural development programs (Title VI);
- \$9 billion for research, extension, and related programs (Title VII);
- \$1.9 billion for forestry programs (Title VIII);
- \$718 million for energy programs (Title IX);
- \$231 million for horticulture programs (Title X);
- \$314 million for miscellaneous programs (Title XII).

CBO estimates that enactment of the Agriculture Reform, Food, and Jobs Act would decrease the federal deficit by \$23.6 billion over the 2012 through 2022 period.

CBO estimates that the enactment of the Agriculture Reform, Food, and Jobs Act would impose private-sector mandates, though CBO states that it has no basis to determine whether the aggregate cost of the mandates in the bill would exceed the \$146 million threshold in 2012 established by the Unfunded Mandates Reform Act of 1995 because the aggregate cost would depend on future regulations:

- It would expand reporting requirements on manufacturers of dairy products, which CBO expects would impose negligible additional costs because manufacturers of dairy products already report information about dairy products to USDA.
- It would impose mandates on dairy handlers who purchase milk from dairy producers participating in the Dairy Market Stabilization Program (DMSP). Under DMSP, when producer margins fall below a designated amount, handlers would be required to report information to USDA and reduce payments for milk to participating dairy producers. In addition, handlers would be required to pay USDA the amount by which the payment

was reduced. Citing industry sources, CBO expects the cost for handlers to collect and report information under the DMSP could amount to hundreds of millions of dollars annually, depending on regulations issued by USDA.

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